MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2021/2022

BAC2654 – PUBLIC SECTOR ACCOUNTING

(All sections / Groups)

2 DECEMBER 2021
9.00 a.m - 12.00 p.m
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **3** pages with **4** Questions only not inclusive the cover page.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1

The government today announced the Perkukuh Pelaburan Rakyat (PERKUKUH), the reform comprises 20 key initiatives focusing on achieving a clearer mandate for each Government-Link Investment Company (GLIC), more investments in catalytic and developmental areas, increased private sector participation and streamlining of the government's role.

Malaysia's GLICs involved in the programme comprise of four Sovereign Wealth Funds (SWFs) and four Institutional Investors. The SWFs include Khazanah Nasional Bhd, Kumpulan Wang Persaraan (KWAP), the National Trust Fund (KWAN) and Ministry of Finance Inc (MoF Inc). The institutional investors, meanwhile, include the Employees Provident Fund (EPF), Permodalan Nasional Bhd (PNB), Lembaga Tabung Haji (LTH) and Lembaga Tabung Angkatan Tentera (LTAT).

Source: The Edge (2021)

REQUIRED:

(a) Identify **TWO (2)** roles of the **TWO (2)** Government-Link Investment Company (GLIC) in the article that could support the government economic recovery plan.
(10 marks)

(b) Discuss **THREE (3)** benefits of PERKUKUH, that may help Government-Link Investment Company (GLIC) in achieving their objective.
(15 marks)

[TOTAL:25 MARKS]

QUESTION 2

The Public Accounts Committee (PAC) is satisfied with the clarification given by government representatives on the use and procurement of Covid-19 vaccines. In a statement, PAC chairman Wong Kah Woh said the committee was satisfied with the statements by Science, Technology and Innovation Minister - Khairy Jamaluddin and Health Minister - Datuk Seri Dr Adham Baba, as well as Health Director General - Tan Sri Noor Hisham Abdullah on the matter.

"The proceeding was in line with PAC's hopes to ensure that the government spending is transparent and truly benefits the people as a whole." Subsequently, said Wong, PAC would perform its duties to ensure that national interest is safeguarded.

Source: The New Straits Times (2021)

REQUIRED:

(a) Identify **TWO (2)** functions of Public Accounts Committee (PAC) with relates to the matter in the article. (10 marks)

Continued…

(b) Discuss **THREE (3)** benefits of investigation made by the Public Accounts Committee (PAC) to the Health Ministry. (15 marks)

[TOTAL 25 MARKS]

QUESTION 3

The table below showed financial information for X Federal Government for the year 2021.

Item	**RM (million)**
Bilateral Loans	5,201
Development Fund	(27,785)
General Trust Funds	7,080
General Deposits	10,792
Malaysia Government Securities	394,132
Market Loans	23,346
Miscellaneous Government Trust Funds	31,538
Multilateral Loans	216
Special Trust Funds	3,130
Sukuk	26,800
Treasury Bills	4,500

(a) Based on the information, calculate the following values for "X Federal Government" for the year of 2021:

i. Internal Loan
ii. External Loan
iii. Government Trust Fund
iv. Public Trust Fund
v. Deposit

(15 marks)

Continued…

(b) The implementation of accrual accounting in the Malaysian public sector is expected to be completed by 2015. However, until today the Accountant General's Department of Malaysia still adopts Modified Cash Basis principal. Discuss **TWO (2)** challenges faced by the Malaysian government concerning the fully implementation of accrual accounting in the public sector.

(10 marks)

[TOTAL:25 MARKS]

QUESTION 4

Outcome Based Budgeting (OBB) system is a performance-based appraisal system using an outcome-based approach. This system has been developed to replace the Modified Budgeting System (MBS) which is a system based on the evaluation of output performance.

(a) Distinguish **TWO (2)** elements of monitoring and evaluation under the Outcome Based Budgeting (OBB) System and Modified Budgeting System (MBS). (10 marks)

(b) Discuss **THREE (3)** challenges in implementing Outcome Based Budgeting (OBB) system. (15 marks)

[TOTAL 25 MARKS]
End of Paper